

Federal Communications Commission
445 12th Street SW
Washington, DC 20554

04/10/02

RE: Docket 02-50, XO Communications, Inc

My names is Kevin Adams I am commenting on the pending FCC hearing for the transfer of FCC licenses from Craig McCaw and share holders of XO Communications.

This page provides information on applications filed by XO Communications, Inc. pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended, seeking Commission approval of the proposed transfer of control of certain Commission licenses and authorizations held by Craig O. McCaw and the existing shareholders of XO to the new shareholders of XO, which will include, as 10 percent or greater shareholders, Forstmann Little & Co. Equity Partnership-VII, L.P. and Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-VIII, L.P., and Teninver, S.A. de C.V., an indirect wholly owned subsidiary of Teléfonos de México, S.A. de C.V. Specifically, the licenses and authorizations to be transferred include licenses and authorizations held by XO and its subsidiaries to provide domestic and international telecommunications services pursuant to parts 63, 90, and 101 of the Commission's rules. In addition, the Applicant seeks a declaratory ruling pursuant to section 310(b)(4) of the Act, that it will not serve the public interest to prohibit indirect foreign ownership of Ox's wireless licenses in excess of the statutory 25 percent foreign ownership benchmark by Telmex and a general partner of Forstmann Little, Gordon A. Holmes, a citizen of the Republic of Ireland

I would have to assume by previous request was rejected.

Therefore based on:

XO is a Delaware corporation that provides voice, data and other services to business customers in the United States and abroad. XO is currently engaged in a corporate restructuring that it states is critical to the company's financial survival. The restructuring will include the cancellation of existing common stock and the issuance of new voting common stock of XO to Telmex and Forstmann Little in exchange for \$400 million from each of Forstmann Little and Telmex. XO states that upon consummation of the transaction, Forstmann Little and Telmex will each hold a non-controlling minority interest of approximately 40 percent in XO. The Applicant also states that no single shareholder will control XO, and that it is not anticipated that any other shareholder will hold more than a 10 percent interest in the company.

Forstmann Little Equity VII, which proposes to hold 25 percent of the voting stock of XO, and Forstmann Little MBO VIII, which proposes to hold 15 percent of the voting stock of XO, are Delaware limited partnerships. Forstmann Little Equity VII and Forstmann Little MBO VIII are affiliated with Forstmann Little & Co., a private equity firm that was formed in 1978. The Forstmann Little partnerships are part of a family of affiliated private investment funds. The Applicant states that Gordon A. Holmes, a citizen of the Republic of Ireland, is one of the general partners of the Forstmann Little entities investing in XO.

Applicant states that Telmex is a publicly traded Mexican corporation providing telecommunications services in Mexico. According to the application, Telmex is controlled by **Carso Global Telecom, S.A. de C.V. ("CGT"), a Mexican holding company. Approximately 67 percent of the shares of CGT are held in trust for investment purposes for Carlos Slim Helu and his family members**, all of whom are Mexican citizens. Through intermediate holding companies, Telmex owns 100 percent of the capital stock of Teninver, the Mexican entity through which Telmex proposes to make its investment in XO. Telmex's indirect, wholly owned subsidiary, Telmex USA, L.L.C., is authorized to provide international switched resale services in the United States, including on U.S. international routes where it is, or is affiliated with, a foreign carrier: specifically, the U.S.-Mexico, U.S.-Guatemala, and U.S.-Argentina routes.

The Applicant asserts that the transaction will produce significant public benefits, including greater competition in the provision of local telecommunications services. The Applicant asserts that the proposed transaction and the debt restructuring associated with it will provide critical funding for XO and a substantial reduction in its debt that will preserve and strengthen the company. The Applicant also submits

that the proposed transaction will have no adverse effect on competition in any of the telecommunications markets in which XO provides services.

I request that the applications be denied.

It is not in the public's interest to have the licenses transferred to a "non public" entity.
The application on its face shows Telmex + Forstmann have as individuals control of the proposed entity.
They will also per their agreement control the "BOD"

FCC communication licenses should only be held by "TRUE PUBLIC CORPORATIONS."

Sincerely,

Kevin Adams